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VIA HAND DELIVERY

Honorable Michael A. Ponsor
United States District Judge
United States District Court
for the District of Massachusetts
Springfield Division
1550 Main Street
Springfield, MA 01103

Re: Brumbaugh v. Wave Sys. Corp.
Civil Action No. 04-30022-MAP

Dear Judge Ponsor:

We are pleased to advise the Court that the Lead Plaintiffs and the Defendants (collectively, the "Parties") have finalized the proposed settlement in the above-referenced matter, which is embodied in the Stipulation and Agreement of Settlement dated October 3, 2006 (the "Stipulation"), a copy of which is enclosed herewith, along with all relevant exhibits to the Stipulation.

We respectfully request that the Court grant preliminary approval of the proposed settlement that will allow the Parties to notify the Class of: (i) the terms of the settlement; (ii) the date by which the Class Members must file proof of claim forms; (iii) the date and manner by which Class Members can object to the proposed settlement; (iv) the date and manner by which Class Members must seek exclusion from the proposed settlement; and (v) the date on which the Court will hold a hearing to consider, among other things, whether to grant final approval to the proposed settlement.

We enclose for the Court's convenience, a separate copy of the Proposed Preliminary Order in Connection with Settlement Proceedings ("Proposed Preliminary Order"). The Proposed Preliminary Order provides a schedule for the dissemination of Notice, which the Parties respectfully request that the Court adopt:

- Notice to be disseminated within 15 calendar days of the Court's execution of the Proposed Preliminary Order ("Notice Date") in accordance with the Preliminary Order (Proposed Preliminary Order, ¶6)
- Summary Notice to be published within 10 calendar days after the Notice Date (Proposed Preliminary Order, ¶7);

- Filing of Proofs of Claim by 120 days from execution of the Preliminary Order (Proposed Preliminary Order, ¶9(a)).
- Filing and Serving any objections and postmark any requests for exclusion by 50 days from execution of the Preliminary Order (Proposed Preliminary Order, ¶¶ 10, 12); and
- Settlement Fairness Hearing on or after December 27, 2006 (Approx. 79 days from execution of the Preliminary Order, Proposed Preliminary Order, ¶ 3);¹

If the dates and schedule provided above meet with the Court's approval, the Parties respectfully request that Your Honor complete the Preliminary Order which is attached as Exhibit A to the Stipulation.

The Parties also wish to advise the Court that certain pages of the Notice contain blanks which are keyed to the dates which will be provided in the Preliminary Order. If the Preliminary Order is entered, the Parties will update the Notice accordingly prior to publishing and sending out Notice to the Class.

If the Court is unable to implement the requested schedule, the Parties respectfully request that the Court use at least the same or greater intervals between each step in the schedule, in order to allow the Parties sufficient time to comply with the Proposed Preliminary Order. Should the Court have any questions or require any additional information, the Parties respectfully request that the Court schedule a telephonic conference call or a hearing at its earliest convenience to consider this application for preliminary approval.

Respectfully submitted,


David Pastor

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Enclosures

cc: All Counsel of Record (FedEx w/encl.)

¹ "Approx." days are based upon the entry of the Preliminary Order by October 9, 2006, and are only being provided for the purpose of allowing the Court to adjust the schedule accordingly to comport with the Court's schedule. If the proposed dates do not comport with the Court's schedule, the parties respectfully request that the Court utilize a similar separation of dates in completing the Preliminary Order.